Distr.
GENERAL

IDB.16/1/Add.1/Rev.1
18 November 1996

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Sixteenth session
Vienna, 20-22 November 1996
Item 2 of the provisional agenda

ANNOTATED PROVISIONAL AGENDA

Item 1. Opening of the session

The sixteenth session of the Board will be opened by the President.

Item 2. Adoption of the agenda

A provisional agenda for the sixteenth session was adopted by the Board at its fifteenth session (IDB.15/Dec.12). In accordance with rule 12 of the rules of procedure (UNIDO/3/Rev.1), a supplementary sub-item (5 (g)) is being proposed (see IDB.16/1/Rev.1). A supporting statement for the inclusion of the supplementary sub-item is provided in the present document under that sub-item. The provisional agenda with the proposed supplementary sub-item is submitted to the Board for adoption in document IDB.16/1/Rev.1.

Item 3. Annual report of the Director-General on the activities of the Organization in 1995, including progress report on specific activities

In accordance with Article 11.6 of the Constitution, the Director-General is to prepare an annual report on the activities of the Organization. In its resolution GC.4/Res.2, the General Conference at its fourth session requested the Director-General to fully incorporate in future annual reports the programme performance report according to Board decision IDB.7/Dec.11.

In resolution GC.6/Res.2, the General Conference requested the Director-General to adapt, beginning with the Annual Report of UNIDO, 1995, the annual report into a consolidated report covering (i) new technical cooperation programmes, (ii) progress on current programmes and (iii) an assessment of completed programmes. The implications for the structure of the annual report of these and other requirements stipulated in the same resolution were discussed with Permanent Missions in a briefing held on 5 June 1996.

The Board will have before it:

- Annual Report of UNIDO, 1995 (including programme performance report for 1995) (IDB.16/10-PBC.12/10, Add.1, Add.2 and Corr.1)

- Arrangements for the establishment of an international centre for hydrogen energy technologies. Report by the Director-General (IDB.16/26)

Item 4. Implementation of the reform

Decision IDB.15/Dec.2 adopted by the Board at its fifteenth session specified mandates and guidelines for the continued implementation of the reform process. The Board furthermore requested the Director-General to report to the Board at its sixteenth session on the implementation of that decision.

For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.

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The Board will have before it:

- Implementation of the UNIDO reform. Action taken since April 1996. Report by the Director-General (IDB.16/18)

Item 5. Report of the Programme and Budget Committee

Article 10.4 (d) of the Constitution requires that the Programme and Budget Committee "report to the Board at each regular session on all activities of the Committee and submit advice or proposals on financial matters to the Board on its own initiative."

The report of the Committee on the work of its twelfth session will be reflected in document IDB.16/24. The following subjects, to be dealt with by the Committee at that session (listed from (a) to (g) below), are of relevance to the work of the Board at its current session:

(a) Implementation of the programme and budgets, 1996-1997

The General Conference in its decision GC.6/Dec.11 authorized the Board at its fifteenth session to examine in depth the revised programme and budgets 1996-1997 and recommend such appropriate changes as may be required in the light of a report of the Director-General on the experience of the Organization in implementing the programme and budgets in the first quarter of 1996. Furthermore, the Director-General was requested to report on the above on a regular basis to the policy-making organs.

Subsequently, the Board at its fifteenth session, on recommendation of the Committee, requested the Director-General to organize informal intersessional consultations with delegations, under the guidance of the Chairman of the Committee, with a view to conducting an in-depth examination of the programmatic contents of the revised programme and budgets for the biennium 1996-1997 (IDB.15/Dec.3).

The Board will have before it:

- Informal intersessional consultations on an in-depth examination of the programmatic contents of the revised programme and budgets for the biennium 1996-1997. Report by the Chairman of the Programme and Budget Committee, H.E. Mr. A. Celso de Ouro-Preto (Brazil) (IDB.16/22-PBC.12/12)

- Implementation of the programme and budgets, 1996-1997. Note by the Director-General (IDB.16/21-PBC.12/11)

(b) Financial situation of UNIDO

In decision GC.6/Dec.15 adopted by the General Conference at its sixth session, the Conference: (a) recalled Board decision IDB.14/Dec.27; (b) took note of the reports of the Director-General on the financial situation (GC.6/32) and on information on developments concerning the unified conference service (GC.6/10); (c) urged those Member States that had not yet paid their assessed contributions to do so without delay; (d) decided to approve in relation with the programme and budgets for 1996-1997, and in view of the extraordinary prevailing circumstances and without constituting a precedent, the suspension of financial regulations 4.2(b) and (c), with respect to the unutilized balance of appropriations for the biennium 1992-1993, which had been paid in, as a credit for the sole purpose of partially funding the separation indemnity reserve; and (e) to report on the above on a regular basis to the policy-making organs.

Subsequently, the Board took note of the information contained in chapter II of document IDB.15/3 on accountability and transparency on financial matters, the separation indemnity reserve and on promissory notes relating to Montreal Protocol funds (IDB.15/Dec.4). In the same decision, the Board decided to continue the work of the intersessional open-ended discussion group, with the task of studying applicable measures, including incentives, to expedite the timely payment of assessed contributions, and requested the group to submit proposals to the Board at its sixteenth session.

The Board will have before it:

- Intersessional open-ended discussion group to study applicable measures to expedite timely payment of assessed contributions. Report of the Chairman (H.E. Mr. S. K. Lee, Republic of Korea) (IDB.16/9-PBC.12/9)

- Intersessional open-ended discussion group to study applicable measures to expedite timely payment of assessed contributions. Note by the Chairman (H.E. Mr. S. K. Lee, Republic of Korea) (IDB.16/CRP.2-PBC.12/CRP.2)

- Financial situation of UNIDO. Report by the Director-General (IDB.16/7-PBC.12/7)

(c) Report of the External Auditor, financial performance report and programme performance report for the biennium 1994-1995

The Committee in its conclusion 1987/19 requested the Director-General to submit each year to the Board through the Committee a clear and detailed financial

performance report itemizing the utilization of financial resources, as well as a programme performance report describing the level of programme implementation. Subsequently, the Board at its seventh session (decision IDB.7/Dec.11), upon recommendation of the Committee, approved the incorporation of the programme performance report in the annual report. Likewise, the General Conference in its resolution GC.4/Res.2, requested the Director-General to fully incorporate in future annual reports the programme performance report according to Board decision IDB.7/Dec.11. Thus, the Annual Report of UNIDO, 1995, provides in an addendum the programme performance report for 1995. This information is supplemented by the financial statements, which continue to be issued as a part of the Report of the External Auditor on the accounts of UNIDO.

In accordance with financial regulation 11.10, the reports of the External Auditor, together with the audited financial statements, shall be transmitted through the Committee to the Board in accordance with directions given by the Conference. The Committee shall examine the financial statements and the audit reports and submit recommendations to the Board which shall forward them to the Conference with such comments as it deems appropriate.

The Board will have before it:

- Financial performance report for the biennium 1994-1995. Submitted by the Director-General (IDB.16/8-PBC.12/8)

- Report of the External Auditor on the accounts of the United Nations Industrial Development Organization and of the Industrial Development Fund for the fiscal period 1994-1995 ended 31 December 1995 (IDB.16/2-PBC.12/2)

- Comments of the Director-General on the report of the External Auditor (IDB.16/4-PBC.12/4)

- Annual Report of UNIDO, 1995 (including programme performance report for 1995) (IDB.16/10-PBC.12/10, Add.1 and Add.2)

(d) Financial regulations

In decision IDB.15/Dec.3, paragraph (d), the Board, on recommendation of the Committee, decided to review the provisions of financial regulations relating to the budgeting process with a view to assuring the necessary flexibility, by recommending, when necessary, to the General Conference the amendment of those provisions in order to facilitate the adoption of revised estimates and adjustments of approved budgets between regular sessions of the Conference as well as to ensure adequate budgetary control on the transfer of appropriations among major programmes.

The Board will have before it:

- Financial regulations. Report by the Director-General (IDB.16/6-PBC 12/6 and Add.1)

(e) Industrial Development Fund and other voluntary contributions

In accordance with Article 17 of the Constitution, in order to increase the resources of the Organization and to enhance its ability to meet promptly and flexibly the needs of the developing countries, the Organization shall have an Industrial Development Fund (IDF) which will be financed through the voluntary contributions to the Organization provided for in Article 16, and other income as may be provided for in the financial regulations of the Organization. The Director-General shall administer IDF in accordance with the general policy guidelines governing the operations of the Fund that are established by the Conference, or by the Board acting on behalf of the Conference, and in accordance with the financial regulations of the Organization. Rules governing the financial management of IDF, which were prepared by the Director-General in accordance with the financial regulations established by the Conference in its decision GC.2/Dec.25, are contained in the Financial Rules of UNIDO (UNIDO/DG/B.74/Rev.1/Amend.1).

In accordance with Board decision IDB.4/Dec.30, the Director-General is to provide information as to the nature of projects financed from the Fund, indicating therein the projects financed from its general-purpose segment as well as information as to the projects financed from its special-purpose segment. In Programme and Budget Committee conclusion 95/5 and subsequently in Board decision IDB.14/Dec.3 the Director-General was requested to reflect information on trust fund contributions from Member States in the programme performance report.

The Board will have before it:

- Industrial Development Fund—Estimated resource level and programme for 1997-1998. Report by the Director-General (IDB.16/3-PBC.12/3)

- Information on the nature of projects financed from the Industrial Development Fund, contained in the Annual Report of UNIDO, 1995 (IDB.16/10/Add.1-PBC.12/10/Add.1, appendix C)

- Information on the nature of projects financed from third party and self-financed trust funds, contained in the Annual Report of UNIDO, 1995 (IDB.16/10/Add.1-PBC.12/10/Add.1, appendix D)

- Lists of projects approved under the Industrial Development Fund (IDF) in 1995 (PBC.12/CRP.1)

(f) Ceiling of assessments

In decision IDB.15/Dec.5 the Board requested the Director-General to monitor closely developments in the United Nations dealing with the scale of assessments, and also requested the Director-General to update the background information on the ceiling of assessments (IDB.15/2) with respect to new developments in the United Nations. Documentation on this item will be provided as appropriate to reflect developments occurring prior to the session.

(g) Withdrawal of the United States of America from UNIDO

The current Board session represents the last before the official withdrawal of the United States of America from UNIDO. The inclusion of the present sub-item in the agenda is intended to facilitate discussion by the Board of certain financial and legal implications of that withdrawal. The Director-General is therefore proposing inclusion of this supplementary sub-item in the provisional agenda of the current session.

The Board will have before it:

- Withdrawal of the United States of America from UNIDO. Some legal and financial implications. Note by the Secretariat (IDB.16/5-PBC.12/5 and Corr.1)

Item 6. Second Industrial Development Decade for Africa

In decision IDB.15/Dec.6, the Board urged the Director-General to take a number of concrete measures for the implementation of the Second Industrial Development Decade for Africa, requested the Director-General to elaborate further on the concept of the Alliance for Africa's Industrialization, and to submit a report to the sixteenth session of the Board. The Board further requested the Director-General to report on the implementation of decision IDB.15/Dec.6 to its seventeenth session.

The Board will have before it:

- Second Industrial Development Decade for Africa. Note by the Secretariat (IDB.16/15)

- Alliance for Africa's Industrialization. Report by the Director-General (IDB.16/16 and Add.1)

Item 7. Industrialization of the least developed countries

At its fifteenth session, the Board took note of the information contained in document IDB.15/10 on least developed countries (IDB.15/Dec.7) and requested the Director-General: (a) to accord highest priority to the implementation of the LDC programme; (b) to take appropriate measures to implement the conclusions and recommendations of the Second and Third Ministerial Symposiums on the Industrialization of the LDCs; (c) to intensify efforts to mobilize funds for industrialization of the LDCs; and (d) to report to its sixteenth session on the implementation of that decision.

The Board will have before it:

- Implementation of the UNIDO programme for the least developed countries. Report by the Director-General (IDB.16/13)

Item 8. Field representation

In decision IDB.15/Dec.8, the Board recalled earlier decisions and resolutions on the subject and emphasized the importance of UNIDO field representation in the developing countries. The Board also requested the Director-General to continue to implement resolution GC.6/Res.3, to accord high priority to the realization of the objectives of the field representation programme, and to report to the Board at its sixteenth session on the implementation of that decision.

The Board will have before it:

- UNIDO field representation. Report by the Director-General (IDB.16/19)

Item 9. Industrial investment promotion

In adopting decision IDB.15/Dec.12, industrial investment promotion was included in the provisional agenda for the current session. In decision IDB.15/Dec.2, the Board encouraged the Director-General to strengthen the Investment Promotion Service network by a more effective coordination mechanism between Headquarters and the IPS offices.

The Board will have before it:

- Industrial investment promotion. Report by the Director-General (IDB.16/11)

- Activities of the UNIDO Investment Promotion Services. Note by the Secretariat (IDB.16/CRP.5)

Item 10. Medium-term programme framework, 1998-2001 (including general ceiling for the biennium 1998-1999)

In accordance with General Conference decision GC.2/Dec.23 and as subsequently modified in decision GC.6/Dec.10, the Director-General is requested to submit to the Board in the first year of each fiscal period, through the Committee, a draft medium-term programme framework for the four years that follow the current fiscal period. The draft medium-term programme framework should be prepared in accordance with the principles mentioned in decision GC.2/Dec.23. Furthermore, in compliance with paragraph (b)(v) d. of the same decision, the Director-General should also submit a preview of the biennium 1998-1999 indicating a general ceiling for that biennium.

Also in decision GC.6/Dec.10 the General Conference decided, in light of Board decision IDB.14/Dec.27, that in the event that the cash resources availability for the biennium 1996-1997 changed significantly resulting in a curtailment of the assumptions contained in document IDB.14/29, to present a revised version of the medium-term programme framework.

The Board will have before it:

- Draft medium-term programme framework, 1998-2001. Proposals of the Director-General (IDB.16/23-PBC.12/13)

- Preview of the first biennium 1998-1999 and preliminary indicative general ceiling. Submitted by the Director-General (IDB.16/23/Add.1-PBC.12/13/Add.1)

Item 11. Joint Inspection Unit

By decision IDB.1/Dec.22 the Board decided to accept on behalf of UNIDO the Statute of the Joint Inspection Unit (JIU) as of 1 January 1986. In the following document, the Board will have before it information on recent JIU activities of relevance to UNIDO:

- Activities of the Joint Inspection Unit of relevance to UNIDO. Note by the Secretariat (IDB.16/12)

Item 12. UNIDO contribution to the System-Wide Action Plan on Drug Abuse Control

In decision IDB.11/Dec.7, the Board requested the Director-General, in conformity with General Assembly resolution 47/100, to designate an agenda item for the Board to consider the contribution of UNIDO to the System-Wide Action Plan and to ensure that activities relating to drug abuse control be reflected in the relevant programmes. Subsequently, in resolution GC.5/Res.17, the General Conference requested the Director-General to continue to take appropriate measures in accordance with resolution GC.4/Res.1 and to reflect in the annual report the progress made in the implementation of resolution GC.5/Res.17. The revised format of the annual report does not allow for all the activities of the Organization to be included in detail in that document. Accordingly, the Board will have before it the following supplementary document:

- UNIDO contribution to the System-Wide Action Plan on Drug Abuse Control. Report by the Director-General (IDB.16/14)

Item 13. Personnel matters

In decision GC.6/Dec.14, the General Conference requested the Director-General to report to the Board at its fifteenth session on the implementation of the scheme of separation of personnel. Document IDB.15/4 reported on the implementation of the scheme as of 1 April 1996.

Furthermore, in decision GC.6/Dec.11, the composition of the Secretariat was among the elements on which the Director-General was requested to report on a regular basis to the policy-making organs.

The Board will have before it:

- Personnel matters. Note by the Secretariat (IDB.16/17)

- List of staff of the UNIDO Secretariat as of 1 November 1996. Submitted by the Secretariat (IDB.16/CRP.1)

Item 14. Approval of appointments of Managing Directors

The inclusion of this supplementary item has been proposed by the Permanent Representative of Morocco to UNIDO in accordance with rule 12 of the rules of procedure of the Board. The supporting statement is contained in the following document:

- Approval of appointments of Managing Directors. Proposal submitted by Morocco. Note by the Director-General (IDB.16/25)

Item 15. Preparations for the seventh session of the General Conference

At its sixth session, in decision GC.6/Dec.22, the General Conference decided that its seventh session should be held in Vienna from 1 to 5 December 1997.

In accordance with Article 9.4 (g) of the Constitution, the Board shall prepare the provisional agenda for the Conference. The Board may wish to consider a tentative provisional agenda for the seventh session of the Conference at its current session so as to enable Member States as well as the Secretariat to start work in this respect.

The Board will have before it:

- Preparation of the provisional agenda for the seventh session of the General Conference. Note by the Secretariat (IDB.16/20)

- Preparations for the seventh session of the General Conference. Provisional agenda and date of the seventeenth session. Term of office of the current Director-General and procedures for nominations and appointment to the post of Director-General. Note by the Secretariat (IDB.16/CRP.3)

Item 16. Provisional agenda and date of the seventeenth session

In accordance with rule 10.2 of the rules of procedure, the Director-General shall submit to the Board at each regular session the provisional agenda for the following regular session. However, in accordance with the recommendations adopted by the Board at its fifth session for the conduct of business and rationalization of proceedings, the provisional agenda for the regular sessions should be drawn up in biennial groups.

At its fifteenth session, the Board had before it a conference room paper (IDB.16/CRP.1) that indicated in annex III possible items for inclusion in the provisional agenda of the seventeenth session. Based on that list and on subsequent developments, a draft provisional agenda for the seventeenth session will be submitted to the Board in the course of its sixteenth session.

The Board will have before it:

- Provisional agenda and date of the seventeenth session. Note by the Director-General (IDB.16/CRP.4)

Concerning the date of the seventeenth session, a tentative reservation has been made for 23 to 27 June 1997. The dates of the sessions of the policy-making organs in 1997 are indicated below:

21-25 April (tentative)
PBC, thirteenth session

23-27 June (tentative)
IDB, seventeenth session

1-5 December
General Conference, seventh session

Item 17. Adoption of the report

Item 18. Closure of the session